

## BAILMENT AGREEMENT

1. This Agreement is entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ between Aurora Flight Sciences, with an office at **Metropolitan Law Enforcement Council** (MetroLEC) (hereinafter referred to as "Bailee") and **Aurora Flight Sciences** with an office at 9950 Wakeman Dr., Manassas, Virginia, USA (hereinafter referred to as "Aurora").
2. Aurora hereby loans Bailee the following property outlined in Annex A below (hereinafter referred to as the "bailed property"):  
  
Description: Skate Small Unmanned Aerial System (SUAS)  
Part Number: AU-SK-300-000505
3. The bailed property is to be loaned to Bailee for a period beginning on the date that the bailed property is received by Bailee and **ending six (6) months after receipt**. This Agreement shall be effective on the last date signed by a party, and, except for provisions with obligations that continue after expiration, this Agreement shall automatically terminate upon return of the bailed property to Aurora in accordance with this Agreement.
4. Aurora shall assume the risk of loss or damage to the Bailed Property during the transportation period from Aurora to Bailee, and Bailee shall assume the risk of loss or damage during the return transportation period back to Aurora.
5. With the exception of any costs incurred by Bailee in transporting the Bailed Property back to Aurora, the Bailed Property is loaned to Bailee at no cost.
6. Bailee shall not use the bailed property for any purpose other than for trial and operational use by the Metro West Law Enforcement Council (METROLEC) SWAT operations.
7. Bailee will assign appropriately qualified personnel for the operation and handling of the bailed property. All parts and/or materials required to maintain and/or support the bailed property during the period of this Agreement will be the responsibility of Aurora.
8. The Bailed Property and any related documents thereto are provided "AS-IS" without any express, statutory or implied warranties including, without limitation, any express warranty as to the condition of the Bailed Property and any implied warranty as to merchantability, fitness for a particular purpose, or non-infringement. Subject to any negligence, willful default or omission of METROLEC resulting in personal injury or death, Aurora shall not be liable for any consequential or indirect damages; liability for breach of warranty, express, statutory, or implied, including merchantability, is limited to those remedies expressly provided in this Agreement, which remedies shall be exclusive.
9. Information of a proprietary nature concerning the Bailed Property will be safeguarded by Bailee against disclosure thereof. This obligation of confidentiality shall continue to apply notwithstanding termination of this Agreement.
10. Bailee assumes the risk of loss or damage to the Bailed Property provided under this Agreement while the Bailed Property is in Bailee's possession or control, including during the return transportation period. Bailee shall return the Bailed Property in as good condition as when received, except for reasonable wear and tear for the utilization of such Bailed Property in accordance of the terms of this Agreement.
11. Neither this Agreement, nor any interest nor proprietary claim in the Bailed Property shall be transferred by Bailee to any party or parties.
12. This Agreement shall be governed and interpreted in accordance with the laws of the Commonwealth of Virginia.

13. The bailed property, or certain components thereof, are subject to the Department of Commerce Export Administration Regulations (EAR), and the parties agree to comply with such regulations, including necessary modifications to the terms of this Agreement.
14. The current replacement value of the Bailed Property is \$50,000USD. Bailee is responsible for all proven costs and expenses including, without limitation, loss, damage or diminution in value to the Bailed Property arising from any: improper storage, installation, inspection, service, packing, removal, shipping and/or operation; or any loss, accident, foreign object damage or other event (excluding ordinary wear and tear) not caused by the negligence, willful default or omission of Aurora. Bailee will pay all charges (in accordance with Aurora's then established retail prices for sale or repair of Bailed Property) necessary to replace or repair the Bailed Property because of any such loss, damage or diminution in value. The maximum liability of Bailee for all proven losses, damages and claims arising out of this Agreement, is limited to the current replacement value of the Bailed Property as stated in this Agreement.
15. Failure by either party to assert any of its rights under this Agreement shall not be deemed a waiver of such rights, nor shall any waiver be implied from the acceptance of any payment or service. No waiver of any right shall extend to or affect any other right a party may possess or to any subsequent similar or dissimilar event.
16. If any provision of this Agreement is determined by an arbitrator or court of competent jurisdiction to be illegal, invalid, or unenforceable, for any reason, then such provision shall be deemed stricken for purpose of the dispute in question, and all other provisions shall remain in full force and effect.
17. The provisions contained herein constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all previous agreements, communications, or representations, either verbal or written between the parties hereto. Any oral understandings are expressly excluded. This Agreement may not be changed, extended, altered, supplemented or added to at any time except by a writing that expressly states a mutual intent to amend this Agreement and is executed by the parties' authorized representatives.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized representatives.

**BAILEE**

**AURORA FLIGHT SCIENCES  
CORPORATION**

By: \_\_\_\_\_  
Signature

By: \_\_\_\_\_  
Signature

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## Annex A

Part Number	Description	Qty
AU-SK-300-000505	<b>Skate® Gen 2 Digital Base System</b>	1
AU-SK-200-000734	<b>High Definition (HD) Video Payload Pod</b>	1
AU-SK-200-000733	<b>IR Payload Pod</b>	As required
AU-SK-TR-000738	<b>Primary Training</b>	1
AU-SK-300-000737	<b>Initial Spares Package</b>	As required

Aurora reserves the right to substitute with alternate serial numbers and/or equivalent equipment.

**These commodities are authorized for shipment to Bailee in the USA. They may not be transferred, transshipped on a non-continuous voyage, or otherwise disposed of in any country, either in their original form or after being incorporated into other end items, without the prior written approval of the U.S. Department of Commerce.**